



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

California State Office  
2800 Cottage Way, Suite W1834  
Sacramento, California 95825

[www.ca.blm.gov](http://www.ca.blm.gov)

August 31, 2000



9200(P)  
CA-931

Instruction Memorandum No. CA-2000-092

To: AFOs

From: State Director

Subject: Contract Appraisals

This Instruction Memorandum is to address the continuing concern of appraisal reports that do not meet the requirements of the Bureau of Land Management (BLM). Because of deficiencies in these reports, it has been difficult for the Appraisal Branch in the State Office to complete reviews of the appraisals in a timely manner. This has caused unnecessary delays in actions that need to be taken by both State Office and the Field Offices.

The primary cause has been appraisals that have been contracted by non-governmental organizations for land acquisitions that the BLM is expected to implement under our regulations and standards. Without BLM involvement at the initial stages of the appraisal, such as pre-appraisal meetings, we will continue to waste valuable time, staff resources, and possibly money on these acquisitions.

To alleviate this problem, I am asking all Field Offices to adhere to the following process, which is part of the BLM Appraisal Manual 9310 and IM CA-99-093 (Attachment 1). Please note the appraisal log is now available via Lotus Notes and no longer accessible through the website that was referred to in IM CA-99-093.

- An appraisal request must be submitted by a BLM Realty Specialist in accordance with IM CA-92-207 (Attachment 2).
- The appraiser should be on the current list of BLM approved Contract Appraisers. If the appraiser is not on the current list, a request for a waiver can be sent to BLM Chief Appraiser. However, this must be done before the contract is awarded.
- Prior to commencement of the contract appraisal work, a conference must be conducted with the proponent, contract appraiser, Field Office Manager, Realty Specialist, and BLM appraiser. Other parties may be included as circumstances allow or require.
- The BLM appraisal staff will issue a statement of work to the contract appraiser, which will provide instructions and address issues pertinent to the assignment.

- The final contract must contain a clause requiring the contract appraiser to comply with 43 CFR, Uniform Appraisal Standards for Federal Land Acquisitions, Uniform Standards of Professional Appraisal Practice and BLM Appraisal Manual 9310 and also identify BLM as a client, along with the proponent, in the appraisal report.
- The appraisal report must be transmitted to BLM Chief State Appraiser simultaneously with the submission to the proponent and the contract appraiser must also be responsive to the BLM to correct or clarify errors or omissions in the report.
- The BLM Appraisal Branch will do a final review the appraisal report, consistent with 43 CFR, Uniform Appraisal Standards for Federal Land Acquisitions, Uniform Standards of Professional Appraisal Practice and BLM Appraisal Manual 9310. If approved, a statement of approval consistent with guidelines will be provided by the BLM appraisal staff.

I am also proposing to send the attached draft letter--reiterating these points--to all of the proponents we have been working with on land acquisitions. If you have any comments on the letter, please forward them to Dave McInay in the State Office.

If we follow our requirements and identify our needs to contract appraisers before the appraisals start, we will eliminate the type of appraisal report deficiencies that have recently occurred and the delays and extra work that they have caused. Should you need additional information or clarification of the process, please contact Nancy Ortiz at 916-978-4651.

**Signed**  
**Al Wright**  
**Acting State Director**

Authenticated By  
 Louise Tichy  
 Records Management

### 3 Attachments

- 1 - IM CA-99-093 (3 pp., Please obtain from BLM web site)
- 2 - IM CA-92-207 (5 pp.)
- 3 - Letter to proponents (2 pp.)



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
California State Office  
2800 Cottage Way, Room E-2845  
Sacramento, California 95825-1889



IN REPLY REFER TO:

April 3, 1992

9300  
CA-940.2

Instruction Memorandum Number CA-92- 207  
Expiration 9/30/93

**To:** ACO's  
**From:** State Director  
**Subject:** New Appraisal Procedures for the State of California BLM

A number of concerns, described below, have been identified in the operation of the appraisal program. Some of these were identified as a result of the Office of Inspector General (OIG) Audit Report on Land Exchange Activities, BLM of 1991 and the Alternative Management Control Review (AMCR)- Real Property Appraisal conducted in March of 1991. Others have been identified through new management of the appraisal program. The concerns are summarized below with solutions and Specific Procedures to remedy these situations and facilitate exchange, acquisition, and other case processing.

**Concern 1:** Lack or unavailability of required reports (T&E, survey, mineral feasibility reports, etc.) before an appraisal is done wastes time and money. For example, an appraisal is completed on a property without benefit of a mineral potential report. If a mineral potential report already exists, or is prepared later, which identifies large quantities of minerals on the property with high value, a new appraisal must be completed.

**Solution:** All backup documentation must be prepared, and submitted, with an appraisal request. Appraisers will be instructed to ask for this information when completing the appraisal.

**Concern 2:** Third party appraisals typically are given to the landowner or proponent of an exchange before it is reviewed and accepted for BLM use. The landowner forms an opinion of value for his property based on an unreviewed and unapproved appraisal. If the appraisal is rejected, or modifications result in a different value--particularly a lower value, negotiations are hampered before they start.

**Solution:** Contracting for appraisals by third parties will be discontinued. Proponents will put money into a contributed funds account, from

which we will contract appraisals. The State Office will manage this process rather than having proponents contract for their own appraisals

**Concern 3:** Appraisal work is initiated in an uncoordinated fashion. Third party contracts are initiated unilaterally. Appraisals are received unexpectedly from unknown appraisers with dubious results. This leads to confusion and an extended review process.

**Solution:** All appraisal requests must be submitted through proper channels, either to the Chief State Appraiser or to the California Desert District ADM, Lands and Renewable Resources, as appropriate. Offices will not initiate contract appraisals and contracting by third parties will be discontinued.

**Concern 4:** Appraisal jobs have no consistent reference or tracking system. Appraisals are referred to by various names or numbers. When questions are asked about the status of an appraisal, often we waste time in tracking it down and identifying it because different people refer to the same project by different names.

**Solution:** All appraisals must be serialized in the ORCA system. Correspondence and questions should reference this number as well as the project or applicant name.

In order to address the above situations new procedures are herewith implemented. These new procedures will streamline the completion of appraisals in the state; insure that appraisals meet Bureau standards; and improve support of the exchange, acquisition, and other programs requiring appraisals in the State. Procedures in this memorandum will not apply to mineral appraisals except as stated in number 1. F. below. New mineral appraisal procedures are currently being drafted by the CSO, Division of Mineral Resources.

#### **Specific Procedures:**

1. No case will be accepted for appraisal without a completed California BLM Appraisal Request Form. *A revised Appraisal Request form for use in California is attached.* The form shall include or be accompanied by the following information at a minimum:

- A. Case Serial Number assigned according to State Office Serialization procedures; and the case entered into the ORCA system. Appraisal status will be tracked in the State Office by Case Serial Number only. All completed appraisals will reference the Case Serial Number on the cover sheet and in the transmittal letter, and district offices should refer to this number on all inquiries and correspondence with the State Office. This procedure will enhance communication and reduce the incidence of redundant names and numbers which lead to "lost" cases and unnecessary searches.

- B. Legal description or copy of the serial register page.
- C. Maps of the property to be appraised: topographic, MT plat, and survey plat (if available).
- D. Name, phone number, and address of owner of record (if applicable).
- E. District assessment of commercial timber potential on the subject property (if applicable).
- F. Mineral feasibility report addressing mineral commodities that could be developed in the foreseeable future (within the next 10 years). If the mineral report concludes that the mineral commodity could be developed within a 10 year period a mineral appraisal should be requested from the DSD, Division of Mineral Resources.
- G. Hazardous material clearance.
- H. Preliminary title report (if one has been done) to determine any encumbrances effecting the value of the property.
- I. Documentation of an approved feasibility report (on exchanges).

2. In the case of exchange, acquisition, or disposal of lands, the current status of items E, F, G, H, and I will be required before an appraisal is assigned or contracted. If any of the above items are not available at the time of appraisal request, include an explanation of their absence and estimated availability date. The above items are especially important if an appraisal is to be done by a private contractor.

3. All appraisal requests shall reference the benefiting subactivity fund code. This is necessary for workload analysis and budgeting.

4. Contracting for appraisals by third party conservation agencies, exchange facilitator, or exchange proponents when splitting costs on exchanges will no longer be the accepted practice. Instead, a Contributed Funds Account (7122) will be set up and used for completing appraisals in house or for contracting by the State Office to private appraisers under a requirements contract. All offices will be informed when this account is in place and ready for use.

5. A new Statewide Requirements Contract for appraisals will be ready for implementation in July 1992 to be in effect for the entire calendar year with two option year renewals. The contract will include several private appraisers statewide who will work with the Chief State Appraiser to produce timely appraisals which meet Bureau Standards. This will significantly reduce contracting, completion, and review time. All offices will be informed when this contract has been awarded.

6. All Requests for Appraisal, with exception of the California Desert District (CDD) and mineral appraisals, should be submitted to the Chief State Appraiser where priorities will be managed by the State Office with input from the District Managers.

In the California Desert District, Requests for Appraisal should be submitted to the ADM, Division of Lands and Renewable Resources where priorities will be

managed with input from the State Director, District Manager, and Area Managers. Appraisal assistance and all appraisal contracting for the CDD will be coordinated with the State Office appraisal staff. The CDD will maintain its own computerized Appraisal Log for tracking appraisal status and workload by Case Serial Number. All other requirements as specified in this Memorandum, including Request Form, Serialization, notation to ORCA, benefiting subactivity fund code notation, accompanying information, and contracting policy apply to CDD as well.

Requests for mineral appraisals shall be sent to the DSD, Division of Mineral Resources along with a mineral potential report as stated in 1. F. above.

*Ed Hunter*

Attachment

Appraisal Request form (1 pg.)

Distribution

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In Reply Refer To:  
9200(P)  
CA 931.5

Dear \_\_\_\_\_:

Acquisitions to support conservation strategies in California have been successful because of our partnership with organizations like yours. As we all know this work is often complex and sometimes controversial, but our partnership is vital to achieving viable acquisitions which serve the public interest. We are looking to continually improve our customer service by reducing costs and increasing timeliness with our land acquisitions.

We wish to enlist your efforts to help us in improving the appraisal process and reports. Because of deficiencies in some reports, it has been difficult for the Bureau to complete reviews of the appraisal in a timely manner.

We believe that many of the recent delays could have been prevented if the Bureau had been involved in the appraisals process earlier by providing better direction to the contractors, specifically in those projects where we will ultimately be involved in acquisition of the land. To this end, we have asked all of our Field Offices to adhere to the following process, which is part of the BLM Appraisal Manul 9310, as well as other Federal appraisal procedures.

1. An appraisal request for an contract appraiser must be submitted by the BLM Realty Specialist in the field office in accordance with IM CA-92-207.
2. The contract appraiser should be on the current list of BLM approved Contract Appraisers. If the appraiser is not on the current list, a request for a waiver must be sent by the field office to the BLM Chief Appraiser in the State Office. However, this must be done before the contract is awarded.
3. Prior to commencement of the contract appraisal work, we are asking that a conference be conducted with the proponent, contract appraiser, Field Office Manager, Realty Specialist, and BLM appraiser. Other parties may be included as circumstances allow or require.
4. Based upon the conference, the BLM appraisal staff will issue a statement of work to the contract appraiser, which will provide instructions and address issues pertinent to the assignment.



5. We are asking that the final contract contain a clause requiring the contract appraiser to comply with 43 CFR, Uniform Appraisal Standards for Federal Land Acquisitions, Uniform Standards of Professional Appraisal Practice, and BLM Appraisal Manual 9310. The clause should also require the contractor to identify BLM as a client, along with the proponent, in the appraisal report.
6. The contract should also require the appraisal report to be transmitted to BLM Chief State Appraiser simultaneously with the submission to the proponent, and that the contract appraiser should be responsive to the BLM as a client to correct or clarify errors or omissions in the report.

Instituting the process above will allow the BLM Appraisal Branch to do a final review of the appraisal report, in a much more timely and efficient manner. A statement of approval will then be provided by the BLM appraisal staff to the field office and proponent.

We ask for your support in implementing the procedures we have outlined. This process will help assure that we are keeping these valuable land acquisitions on track, and completed in a more timely manner.

Sincerely,

Al Wright  
Acting State Director